

MICHIGAN DEPARTMENT OF NATURAL RESOURCES & ENVIRONMENT

INTEROFFICE COMMUNICATION

TO: Steve DeBrabander, Manager Grants Management Section

FROM: Ed Meadows, Manager, Real Estate Services Section

DATE: January 20, 2011

SUBJECT: Appraisals for the Waterloo Recreation Area 6(f)(3) Conversion Application

The appraisals of the properties for the proposed conversion have been completed, reviewed and approved.

In response to the DNRE Recreation Division's request for appraisal services, Real Estate Services Section contracted with an independent appraiser, Mr. Paul Bidwell, MAI, CCIM for appraisals compliant with the Uniform Appraisal Standards for Federal land Acquisitions (UASFLA). Mr. Bidwell is qualified to perform appraisals meeting UASFLA standards having received training and obtained experience with such assignments.

The appraisal reports were received in our office on October 25, 2010. The appraiser's value determinations are based on the Sales Comparison Approach to estimate a value for both the Conversion and Mitigation parcels with the following values reported:

- The estimate of fee simple market value of the 72.44± acre Conversion Parcel, as of September 1, 2010 is \$217,000.00.
- The estimate of fee simple market value of the 324± acre Mitigation Parcel as of September 1, 2010 is \$810,000.00.

Mr. Kenneth Stock was hired by contract to review both appraisal reports. Mr. Stock is a Certified General Appraiser, and certified to review appraisals for federally-funded projects. He found that the market research and analysis of the selected comparables to be adequate. The methodology, opinions and conclusions were found to be reasonable, consistent and properly supported. The appraisals are complete and meet USPAP, MDNRE and UASFLA guidelines. He recommended that the reports and values be accepted. Mr. Stock's reviews arrived in our office on January 5, 2011.

Given the reported values, it is evident that the Mitigation Parcel exceeds the value replacement need for the Conversion Parcel as described in the Department's application.

You may include this memo in the Department's application to the National Park Service as verification that the appraisals have been performed, reviewed and the values reported as stated above.

Please do not hesitate to contact me at 335-3259 with any questions.

